

**COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION**

**FISCAL NOTE**

L.R. No.: 0976-06  
Bill No.: Truly Agreed To And Finally Passed SCS for HS for HB 455  
Subject: Children and Minors; Health Care; Insurance - Medical; Medicaid; State Employees  
Type: Original  
Date: May 27, 2003

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
General Revenue	(Unknown exceeding \$40,000)	(Unknown exceeding \$40,000)	(Unknown exceeding \$40,000)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Unknown exceeding \$40,000)</b>	<b>(Unknown exceeding \$40,000)</b>	<b>(Unknown exceeding \$40,000)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
<b>Total Estimated Net Effect on Other State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
Federal Funds	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> Federal Funds*</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* Revenues and expenditures Unknown exceeding \$60,000 annually and net to \$0.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Public Safety - Missouri Highway Patrol (MHP)** defer to the Department of Transportation for response regarding the fiscal impact of the proposal on the MHP.

Officials from the **Department of Transportation** and **Department of Insurance** assume the proposal would have no fiscal impact on their organizations.

Officials from the **Missouri Department of Conservation (MDC)** states the proposed legislation would not appear to have a fiscal impact on MDC funds.

Officials from the **Missouri Consolidated Health Care Plan (HCP)** state this proposal adds an age restriction of 18 and younger who are covered under a policy, contract, or plan. The proposal also places a \$200 per calendar year cap on hair prosthesis expenses.

### ASSUMPTION (continued)

The HCP officials state it is unknown how many people will be diagnosed in each year with alopecia and how many would utilize a hair prostheses. This benefit could add some additional cost to the plan, however, it is expected that this amount would be insignificant.

**Oversight** assumes the insignificant costs could be absorbed by the HCP and/or the health plans offered by HCP.

Officials from the **Department of Social Services - Division of Medical Services (DMS)** state that although this proposal limits coverage to children and caps the benefits at \$200 per calendar year, the DMS estimates the cost to be unknown but greater than \$100,000. The cost incurred for system work and to recalculate the managed care rates will not decrease because the coverage is limited to children only.

According to the National Alopecia Areata Foundation, approximately 2% of the population is affected by this disease. Based on this statistic, 10,548 Medicaid eligible children could have this disease. If 5 percent of this group would need scalp prostheses, the costs would total \$100,000.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
<b>GENERAL REVENUE</b>			
<u>Costs - Department of Social Services</u>			
Increase in medical assistance payments	<u>(Unknown exceeding \$40,000)</u>	<u>(Unknown exceeding \$40,000)</u>	<u>(Unknown exceeding \$40,000)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<u><u>(Unknown exceeding \$40,000)</u></u>	<u><u>(Unknown exceeding \$40,000)</u></u>	<u><u>(Unknown exceeding \$40,000)</u></u>

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
<b>FEDERAL FUNDS</b>			

Income - Department of Social Services

Increase in Medicaid reimbursements	Unknown exceeding \$60,000	Unknown exceeding \$60,000	Unknown exceeding \$60,000
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Costs - Department of Social Services

Increase in medical assistance payments	(Unknown exceeding \$60,000)	(Unknown exceeding \$60,000)	(Unknown exceeding \$60,000)
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**ESTIMATED NET EFFECT ON  
FEDERAL FUNDS\***

<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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\* Revenues and expenditures Unknown exceeding \$60,000 annually and net to \$0.

FISCAL IMPACT - Local Government

FY 2004 (10 Mo.)	FY 2005	FY 2006
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<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal provides that effective January 1, 2004 any health insurance provided through the Missouri Medicaid program, the children's health insurance program (MC+) and any health care plans issued to Missouri state employees provide coverage for prostheses and expenses for scalp hair prostheses worn for hair loss suffered as a result of alopecia areata or alopecia totalis for persons eighteen or younger covered under the policy, program or plan.

DESCRIPTION (continued)

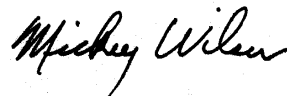
The coverage shall have a maximum benefit of \$200 per calendar year, not to exceed a lifetime maximum benefit of \$3,200 for persons who select a more permanent scalp hair prosthesis. A

person may request a one-time expenditure of up to \$3,200 and benefits will expire when a total of \$3,200 has been expended or the person reaches eighteen years of age.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Transportation  
Department of Social Services  
Department of Public Safety -  
    Missouri Highway Patrol  
Missouri Consolidated Health Care Plan  
Department of Insurance  
Missouri Department of Conservation



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